

## **NEW HAMPSHIRE 1099-G FREQUENTLY ASKED QUESTIONS**

### **1. Why did I receive a 1099-G from the New Hampshire Department of Revenue?**

The Internal Revenue Service (IRS) requires the New Hampshire Department of Revenue to report, on form 1099-G, the amount of any refund, credit carryover, or offset issued during the year, as these amounts may be considered taxable income to the recipient. If you have deducted state taxes paid on your federal income tax return, you may be required to report any refund, credit carryover, or offset as income on your federal income tax return for the year in which it was received.

### **2. Why do I have to report the amount as income?**

When you deduct state taxes on your federal income tax return for the year paid, whether paid through estimated tax payments, extension payments, or return payments, your federal taxable income is reduced. If any part of the tax deducted from federal income is later refunded, credited, or used as an offset for previous or future tax periods, you may be required to report this amount as federal income for the year in which it was received, as that income was deducted, and; therefore not taxed as income for federal income tax purposes.

### **3. What is an offset?**

An offset is the amount that was applied to applicable interest, penalties and/or other balance(s) due. The IRS allows a deduction for taxes paid, but not for tax related interest or penalties paid.

### **4. What should I do with the 1099-G? Do I have to pay the amount shown?**

No. The 1099-G is a report of refunds, credits, or offsets you received from the New Hampshire Department of Revenue. It is not a bill and you should not send any type of payment in response to the statement. If a professional preparer handles your taxes, you should give the 1099-G to the preparer, along with your other tax information. If you prepare your own taxes, you should review the federal return instructions for reporting state tax refunds or visit the IRS web site at [www.irs.gov](http://www.irs.gov) for more information.

### **5. I have checked my records, and I am certain the 1099-G is incorrect. What should I do?**

Write to Central Tax Services, PO Box 3306, Concord, NH 03302-3306, with a copy of the 1099 and any information about why it may be incorrect. We must receive the original 1099-G and a request in writing to issue a corrected 1099-G. You may also contact the New Hampshire Department of Revenue at 603-230-5920. Our office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m.

### **6. I claimed an Interest and Dividends Tax refund for last year, but the Department applied the money to a bill for another year. Do I still have to report this as income?**

Yes. The year to which the funds were applied does not change the fact that you received a refund on your New Hampshire Interest and Dividends Tax return. You are subject to the same federal reporting requirements as if you had received a refund check.

#### **Example:**

During the year, a taxpayer made estimated tax payments of \$2000 for New Hampshire Interest and Dividends Tax. The taxpayer deducted this amount as state taxes paid on the federal return. In addition, the taxpayer filed an Interest and Dividends Tax return, showing a total tax of \$1800. This resulted in a \$200 overpayment, which the taxpayer chose to carry over to the following year. The taxpayer will receive a 1099-G from the New Hampshire Department of Revenue showing the credit carryover. The \$200 may have to be included in federal taxable income for the year in which it is received.

**Note: If during the year, New Hampshire Interest and Dividends Tax returns for multiple years are filed claiming various over-payments, one 1099-G will be issued for the year and will list all refunds and credit carryovers on separate lines by tax period.**